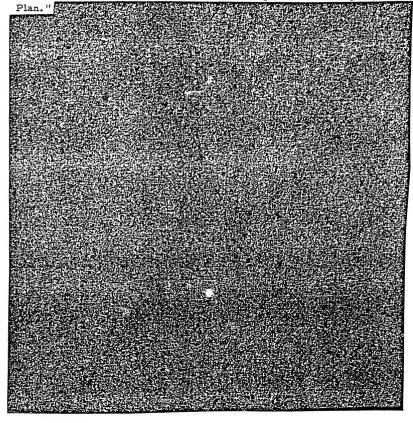
Summary Record of NSC Standing Group Meeting No. 5/63 May 14, 1963, 5:00 PM -- Cuba

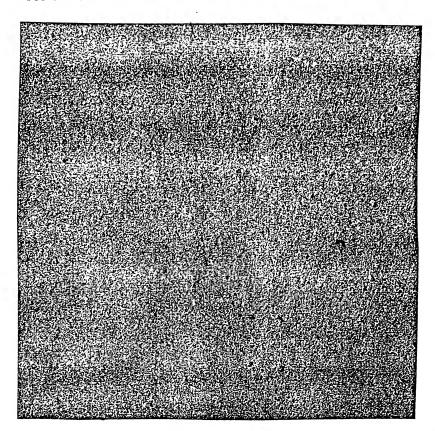
Mr. Alexis Johnson presented the paper he and Mr. Nitze had prepared entitled "Cuban Attacks on Reconnaissance Flights -- a Contingency



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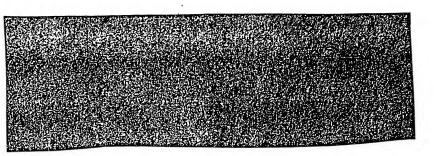
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The paper is to be revised.

and other suggestions. It will be considered further at a later meeting.

The second paper, entitled "Certain Cuban Contingencies" was discussed briefly.



There was a discussion of the sugar paper presented by the State Department. Mr. McCone disagreed with the State recommendation that nothing be done to affect the world sugar market. He thought this was an area where action could be taken to prevent the Russians from financing their aid to Cuba by means of buying Cuban sugar cheaply and selling it at the much higher world market price.

There was a discussion of the current world sugar market. Mr. McCone cited a 4% increase in sugar consumption and an 8% decrease in production, very low stocks, resulting in a sugar price of 10¢ per pound.

It was agreed that Secretary Freeman be asked to produce a study of the current situation with particular reference to the effect of the very high sugar price on the future Cuban economy. This study will consider increasing U.S. production to force down the world market price, as well as to benefit domestic producers.



Bromley Smith